Does Corporate Social Responsibility Pay?

Elaine Conway

Derby Business School, University of Derby

Abstract

This literature review summarises the main strands of the debate around whether corporate social responsibility (CSR) has any impact on corporate financial performance (CFP). This subject area has been the source of academic and business debate for more than 40 years, especially since the level of CSR engagement of an organisation (whether profit-making or not) has been linked to benefits to its reputation and relationships with employees, suppliers, customers, government and its wider community.

Design/methodology/approach

A review of the key literature across the decades of research dedicated to this topic was carried out, discussed and summarised in the context of informing whether organisations should invest in CSR for purely financial motives. This does not address the ethics of whether organisations invest in CSR for other altruist motives.

Findings

The results suggest that there is a small positive relationship between an organisation investing in CSR and seeing a beneficial financial effect in their results. However, it is very dependent on the size of the firm, the specific industry and demands (ethical and regulatory) which are placed on that industry.

Originality/value

As the debate but also the methodologies used in research studies on this topic continue to evolve then it is of value to carry out a review of that critical process to help organisations inform their strategy towards CSR activities if their standpoint is that any such investment must provide an adequate payback.

Keywords: corporate social responsibility, financial performance.

Paper Type: Literature review.

Introduction

This literature review summarises the main strands of the debate around whether corporate social responsibility (CSR) has any impact on corporate financial performance (CFP) and whether that impact (if any) is causal. The discussion centres around whether by actively choosing to invest resources into certain activities deemed to be socially responsible, firms see an effect in their financial results, whether this be in terms of profitability (or similar accounting-based measures) or from a share price point of view (market-based financial measures). This relationship can be positive (investment in CSR results in positive impact on financial measures), negative (the costs of investing CSR outweigh the financial benefits), mixed (there is an effect, but it varies over time or demonstrates a curvilinear relationship) or there is no relationship, either because it cannot be found or other exogenous variables in the wider environment cause impacts which cancel out any discernible effects.

This subject area has been the source of academic and business debate for more than 40 years, especially since the level of CSR engagement of an organisation (whether profit-making or not) has been linked to its reputation, ability to attract and retain employees and their on-going commitment and its outward relationships with suppliers, customers, government and its wider community. CSR can even impact a firm's competitive advantage in some situations and the perceptions of providers of capital (International Standards Organisation 2014) and with it, their willingness to invest (Fombrun, Shanley 1990; Graves, Waddock 1994; Waddock, Graves 1997).

What is corporate social responsibility?

Corporate social responsibility (CSR) and allied terms, such as corporate social performance (CSP), social engagement and similar are often used synonymously to mean any activity in which a firm engages which impacts on the wider environment of the organisation. Over time, the emphasis has changed from a single dimension, like environmental pollution controls, to cover a multi disciplinary range of inputs, internal behaviours, processes and outputs (Waddock, Graves 1997).

Davis (1973) provided an early definition for the concept, describing it as: *'the firm's consideration of, and response to, issues beyond the narrow economic, technical, and legal requirements of the firm' (p.312).*

Carroll (1979) broadened this definition by adding further dimensions: *'The social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time' (p.500).*

This definition provided an important nuance, in that society's expectations of the role of the organisation change over time and there is an increasingly higher expectation that organisations should engage with their environment responsibly and balance the needs of a wider range of stakeholders than those of the traditional provider of capital. It is a demonstration of organisational legitimacy where organisations attempt to gain approval from society (or at least to avoid its censure) in order to maintain patronage of organisational objectives (Kaplan, Ruland 1991).

A later paper by Wartick and Cochran (1985) extended Carroll's work and proposed a definition of: *"the underlying interaction among the principles of social responsibility, the process of social responsiveness, and the policies developed to address social issues" (p.758).*

They demonstrated that CSP is composed of three competing areas of focus, including economic and public responsibility and social responsiveness. Wood (1991) challenged the Wartick and Cochran definition as by using the term 'performance', it emphasised outcomes, rather than 'interaction or integration'. Wood also criticised the apparent inference that only companies that have specific policies regarding social issues could be deemed to fit the definition of the model, as this is restrictive, since more informal, unwritten policies may exist in the company and the virtue of having a policy may not reflect actual company actions. This criticism has equally been levelled at the few qualitative studies on CSR which have been carried out; that by using content analysis of corporate reporting about their activities does not necessarily equate to actual actions and/or benefits (Bowman, Haire 1975;

Abbott, Monsen 1979; Ingram, Frazier 1980). As a result, few qualitative studies have been done on the CSR/CFP debate. However, many early studies had to rely on voluntary subjective corporate disclosures (which can also draw this criticism) as their CSR proxy (Vance 1975; Alexander, Buchholz 1978, Anderson, Frankle 1980), due to the lack of more independent data.

Wood (1991) also highlighted the previously 'binary', simplistic view of CSP as 'good' or 'bad' and drawing the inference that CSP is *'something that responsible companies do, but irresponsible companies do not do.'* Thus building on the Wartick and Cochran definition (Wartick, Cochran 1985), and addressing prior limitations, including the concept of viewing a company as a series of processes over time and the integration of CSP into business performance, Wood proposed the following definition: *'A business organization's configuration of principles of social responsibility, processes of social responsiveness, and policies, programs, and observable outcomes as they relate to the firm's societal relationships.'* (p.693)

This myriad of definitions serves to illustrate the lack of common definition of CSR and its allied concepts. They have all centred on the capitalist, Western view of the role of the organisation, which may not translate so adequately internationally where cultural norms and expectations of corporate bodies by the public may be very different, e.g. in China (Wang, Juslin 2009). Given this, the World Bank definition stresses the deliberate engagement of the organisation in keeping its activities and impacts sustainable on an international basis, albeit that it uses a somewhat nebulous qualitative expression of 'good'*; 'CSR is the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life, in ways that are good for business and good for international development'* (World Bank 2003, p.5).

This development of the definition emphasises CSR as an active management decision. Legitimacy theorists seek to explain this as a means by which organisations guarantee their continued existence by maintaining the congruence between the organisational values and those of wider society (Deegan in Wang, Juslin 2009, Bebbington, Unerman et al. 2014). Stakeholder theorists take relational theory further by attempting to address the needs of the multiplicity of stakeholders in the organisation, such as shareholders, customers, suppliers, other providers of finance and the wider community in which the company operates (Freeman 1984). This can result in improved stakeholder relations, such that costs are reduced (for example, lower employee turnover can result in lower costs of employment or less regulatory burden by voluntarily addressing a stakeholder concern such a preventative environmental controls avoiding expensive litigations (Spicer 1978, Gama Boaventura, Santos et al. 2012; Barnett, Salomon 2012)). However this approach is not without conflict as the organisation attempts to address all competing stakeholder concerns against a backdrop of finite resources or else has to place some stakeholders' claims higher than others in some arbitrary assessment of relative power or importance of those claims (Wood 1991; Donaldson and Preston 1995; Jones 1995; Mitchell, Agle et al. 1997; Perrini, Russo et al. 2011).
A more utilitarian viewpoint presented by neo-classical economists asserts that organisations' main goal is to maximise the wealth of their capital providers and that CSR activities should only be undertaken if they contribute to this goal (Friedman

1970). This suggests that there should be a ‘business case’ for CSR to demonstrate its payback and contribution to wealth maximisation (Jones 1995, Donaldson, Preston 1995). It is this theoretical standpoint which the majority of academic studies have adopted, as it is appears to address the common desires of the shareholders (to increase financial returns) and wider stakeholders (to be more beneficial to society). This is despite the acknowledgement that CSR activities can cost money, but can also yield a fall in costs or the risk profile of the organisation (McGuire, Sundgren et al. 1988, Graves, Waddock 1994). The next section of this paper examines the main studies to date which have assessed the CSR activities of the organisation and evaluated the impacts (if any) on its subsequent financial performance.

CSR and its impact on financial performance

The early studies of CSR and corporate financial performance (CFP) such as Moskowitz (1972), Bragdon and Marlin (1972), Bowman and Haire (1975) and Vance (1975) drew differing conclusions. Using a small sample of 14 firms in the Fortune index deemed by management perceptions to be socially responsible, Moskowitz asserted that those firms outperformed others which were not so well regarded (Moskowitz 1972). However Vance found over a longer time frame those same companies did not outperform their non-socially responsible peers (Vance 1975). Using the same sample firms but a different methodology of prose analysis relating to social responsible actions declared in company reports, Bowman and Haire found a positive correlation between positive social responsibility exemplars and improved financial performance (Bowman, Haire 1975). Using a different, single industry firm sample from the paper and pulp industry and pollution control as the CSR proxy, Bragdon and Marlin found indications that those firms who exhibited good pollution control also returned good profits, but they did concede that the link was not strong in all cases and that causality could not be so clearly demonstrated (Bragdon, Marlin 1972).

These studies represent the main beginnings of a debate which continues to the present day, in that depending on the sample selected, the CSR and CFP proxies used (for example, market-based financial proxies versus accounting-based financial proxies) and the research methodology adopted, a conclusive, causal linkage between CSR and CFP remains evasive and elusive, with some studies finding positive relationships, some negative, some curvilinear and some none at all (Perrini, Russo et al. 2011, Boaventura, Santos et al. 2012). This is perhaps not surprising given the multiplicity of issues encompassed by the term CSR, or the plethora of influences, both internal and external which can impact the financial fortunes of organisations.

Given this multiplicity of CSR elements, the International Standards Organisation (ISO) devised a standard (ISO26000:2010 Guidance on social responsibility) to indicate what it felt were the seven core subjects within the social responsibility remit (International Standards Organisation 2014):

- Organizational governance
- Human rights
- Labour practices
- The environment

- Fair operating practices
- Consumer issues
- Community involvement and development

This appreciation of the multi-faceted nature of CSR and the emergence of independent ratings agencies which purport to evaluate the full range of CSR activities and score them on a consistent measurement basis, such as the Kinder, Lydenberg and Domini (KLD) index (Sharfman 1996), changed the research approaches to the CSR/CFP issue. This has resulted in mainly quantitative studies based on the KLD index (or similar) over a number of years and using ordinary least squares (OLS) regressions of the overall index scores against a range of market-based or accounting-based financial measures.

These methods are not without criticism; the use of a linear model (OLS) to explain what is often not a linear relationship (Perrini, Russo et al. 2011) and the use of the KLD index (or indeed any similar index) are problematic. In the case of regression analysis, other statistical methods have been used to underpin findings (Orlitzky, Schmidt et al. 2003; Baird, Geylani et al. 2012). Regarding using indices, whilst they are independent of the firms being assessed, they are still evaluated on a largely subjective basis, in that the particular assessor has to determine whether a given activity or event is deemed good, bad or neutral based on their own perceptions of the matter under consideration. There is also the issue of consistency in approach between assessors both for individual companies but also over a period of time (Cochran, Wood 1984). Another criticism of the indices are the scores themselves and whether a ‘good’ event should cancel out a ‘bad’ event and how meaningful that exercise may be (Mattingly, Berman 2006). Designed to assist analysts and investors to pinpoint so-called ethical investments, the indices were not designed specifically for academic enquiry. Criticisms notwithstanding, the use of indices is now widespread and some academics have devised methods of overcoming some of the criticisms, such as the ‘netting off’ effect of ‘good’ and ‘bad’ scores by using raw scores for individual items rather than consolidated scores (Barnett, Salomon 2012).

Undoubtedly though, the very use of a wider range of measures through these indices has opened up the debate as to whether all elements of CSR have equal weight in any CSR/CFP relationship. Additional analyses can be carried out using single elements of the CSR indices to determine whether there are some specific ones which may have more impact than others. In certain industries, such as mineral extraction, positive environmental activities are noted to yield financial benefits (Rowley, Berman 2000; Jenkins, Yakovleva 2006), but this investment in CSR also exhibits diminishing returns as additional activities become increasingly more expensive.

Quantitative methods such as OLS used in the later studies do allow for the control of variables which might affect the outcome of the research. Evidence has suggested from several studies that size, industry, leverage and social pressures are determinants of CSR (Herremans, Akathaporn et al. 1993; Waddock, Graves 1997; Margolis, Walsh 2003; Baird, Geylani et al. 2012). Larger companies tend to carry out more CSR than smaller ones, possibly due to their greater visibility and public accountability (Miles 1987) but also possible economies of scale (McWilliams, Siegel

2001; Orlitzky 2001). As these firms often tend to be more profitable, it has also provoked the question as to whether superior CFP is a pre-requisite for CSR or vice versa (Ullmann 1985, McGuire, Sundgren et al. 1988, Roberts 1992, Herremans, Akathaporn et al. 1993, Burke, Logsdon 1996, Pava, Krausz 1996). This is summed up by the slack resources theory, which suggests that firms will only spend resources on CSR if they have sufficient spare ‘slack’ resource to do so, which implies that in order to outlay cost on CSR a firm must operate from a good financial standing prior to carrying out any CSR (Waddock, Graves 1997, Orlitzky 2001).

Allied to this idea is the issue of timing; CSR activities across the spectrum of environment, social, governance or community can often take a long time to yield any definable benefit (Gama Boaventura, Santos et al. 2012). This is particularly the case when an organisation has been carrying out activities for some time and has adopted the ‘easiest’ or the ‘lowest hanging fruit’ first, then having to invest increasing amounts of resource, be it money, time or technology to gain benefit. The idea of therefore having sufficient slack resource (perhaps payback from previous projects) to continue to invest is moot (Waddock, Graves 1997). Moreover the lag between investment and potential payback can make identifying causality between CSR and CFP difficult. This has meant that studies since the 1970s have tended to cover much longer time spans from the original three or six month time periods to several years of data.

Industry is also deemed to be a determinant of CSR and therefore is often controlled for. This is because certain industries demand a certain level of CSR activity, e.g. extractive industries, and those with high institutional ownership, whilst there are others which find it easier to benefit from certain CSR activities because of their specific industry (Rowley, Berman 2000, McWilliams, Siegel 2001). For example, financial services firms gain more financial benefit from their social activities than their environmental ones. The level of competitiveness within an industry is also important; if CSR can yield a competitive advantage (Porter, Kramer 2006) which is not easy for others to imitate then organisations will tend to find positive financial benefits from their CSR activities (Reinhardt 1998; Williams, Siegel 2001; Campbell 2006, Campbell 2007). Another industry impact is the prevalence of professional bodies and industry organisations which support involvement in CSR; this tends to increase both activity and results achieved (Campbell 2006, Campbell 2007). Industry regulation and the possibility that governments will intervene if voluntary actions are not undertaken also impact the commitment within certain industries to undertake CSR and therefore obtain benefits from it (Waddock, Graves 1997, Campbell 2006, Campbell 2007).

Because of multiplicity of influences, proving that any relationship between CSR and CFP is directly causal is problematic (Chen, Metcalf 1980, Baird, Geylani et al. 2012, Gama Boaventura, Santos et al. 2012). Whilst intuitively the reaction is that organisations should adopt CSR because it is ‘a good thing to do’, the evidence of its direct financial payback is not universally compelling (Burke, Logsdon 1996). Bragdon and Marlin (Bragdon, Marlin 1972) suggested that CSR is a positive thing, but not something to which a company should over or under react; they suggested a balanced and measured response relative to those specific issues in the company’s own industry which its managers most feel they need to respond to.

This more strategic approach reacts to the specific company's environment and promotes those activities which the company's management perceives will be of most benefit to them, whether that be financial or more reputational. On the one hand, this can lead to accusations of public relations 'spin' or 'green wash' (where environmental activities are involved) (Fougere, Solitander 2009) or an appreciation of good, 'open-minded', adaptable and responsive senior management on the other (Sturdivant, Ginter 1977; Alexander, Buchholz 1978; McWilliams, Siegel 2001). Some of the studies which have found positive CFP as a result of CSR have attributed this more to the quality of management and its ability to adapt to its stakeholder expectations than the CSR per se (Ullmann 1985, Gama Boaventura, Santos et al. 2012).

Conclusion

So does investment in CSR pay? Of the hundreds of studies completed over the last 40 years, the overall finding is slightly positive, with a small causal correlation between CSR and CFP, but the linkage remains contentious (Perrini et al 2013, Malik 2013). Even recent studies in different countries, such as China (Chen, Wang 2011, Pan et al. 2014) and using different methodologies (such as a regression discontinuity approach (Flammer 2013)) continue to find positive linkages between the two variables. However, the results are very dependent on the size of the firm, the specific industry and demands (ethical and regulatory) which are placed on that industry. If accounting-based financial measures are used, the finding is slightly less positive than if market-based measures are used.

Because of the plethora of CSR constituents, certain industries will find greater paybacks on investments in some constituents than others and there are different impacts from each one (environmental, social and corporate governance) on their industry (Capelle-Blanchard , Petit 2014). Almost universally, the payback of CSR has a diminishing return, so organisations need to determine not only which specific areas are worthy of resource allocation but also the extent of that investment to ensure that resource is not poorly utilised. This is well summed up by Vogel (2005): *'CSR is best understood as a niche rather than a generic strategy: it makes business sense for some firms in some areas under some circumstances'* (p.25).

Organisations, particularly large quoted ones, will continue to invest in CSR because it is 'the right thing to do', because they are regulated to do so, because they find it provides a competitive advantage or because they find it pays back in reduced costs, risk, increased profitability or more stable share prices. In a sense, the only difficulty is one of constrained choice; what should they dedicate finite resource to in the best way that works for them? In this, they need to evaluate not only their own organisational strengths and weaknesses, but the character of the industry in which they operate which will determine the key areas of emphasis to guide their decision-making.

References

Abbott, W.F. and Monsen, R.J., 1979. On the Measurement of Corporate Social Responsibility: Self-Reported Disclosures as a Method of Measuring Corporate Social Involvement. *Academy of Management Journal*, 22(3), pp. 501-515.

Alexander, G.J. and Buchholz, R.A., 1978. Research Notes. Corporate Social Responsibility and Stock Market Performance. *Academy of Management Journal*, 21(3), pp. 479-486.

Anderson, J.C. and Frankle, A.W., 1980. Voluntary Social Reporting: An Iso-Beta Portfolio Analysis. *Accounting Review*, 55(3), pp. 467.

Baird, P., Geylani, P. and Roberts, J., 2012. Corporate Social and Financial Performance Re-Examined: Industry Effects in a Linear Mixed Model Analysis. *Journal of Business Ethics*, 109(3), pp. 367-388.

Barnett, M.L. and Salomon, R.M., 2012. Does it pay to be really good? addressing the shape of the relationship between social and financial performance. *Strategic Management Journal*, 33(11), pp. 1304-1320.

Bebbington, J., Unerman, J. and O'Dwyer, B., eds, 2014. *Sustainability Accounting and Accountability*. 2nd edn. Abdingdon, UK: Routledge.

Bowman, E.H. and Haire, M., 1975. A Strategic Posture Toward Corporate Social Responsibility. *California Management Review*, 18(2), pp. 49-58.

Bragdon, J.H. and Marlin, J., 1972. *Is pollution profitable. Risk management*, 19(4), pp. 9-18.

Burke, L. and Logsdon, J.M., 1996. How corporate social responsibility pays off. *Long range planning*, 29(4), pp. 495-502.

Campbell, J., 2007. Why would corporations behave in socially responsible ways? An institutional theory of corporate social responsibility. *Academy of Management Review*, 32, pp. 946-967.

Campbell, J., 2006. Institutional Analysis and the Paradox Of Corporate Social Responsibility. *American Behavioural Scientist*, 49, pp. 925-938.

Carroll, A.B., 1979. A Three-Dimensional Conceptual Model of Corporate Performance. *Academy of Management Review*, 4(4), pp. 497-505.

Capelle-Blanchard, G. and Petit, A. 2014. The Weighting of CSR Dimensions: One size does not fit all. *http://dx.doi.org/10.2139/ssrn.2405801* accessed September 2014.

Chen, K.H. and Metcalf, R.W., 1980. The Relationship between Pollution Control Record and Financial Indicators Revisited. *The Accounting Review*, 55(1), pp. 168-177.

Chen, H and Wang, X., 2011. Corporate Social Responsibility and Corporate Financial Performance in China: an empirical research from Chinese firms. *The International Journal of Business in Society*, 11 (4), pp 361-370.

Cochran, P.L. and Wood, R.A., 1984. Corporate Social Responsibility and Financial Performance. *Academy of Management Journal*, 27(1), pp. 42-56.
Davis, K., 1973. The Case For and Against Business Assumption Of Social Responsibilities. *Academy of Management Journal*, 16(2), pp. 312-323.

Donaldson, T. and Preston, L.E., 1995. The Stakeholder Theory of the Corporation: Concepts, Evidence, and Implications. *Academy of Management Review*, 20(1), pp. 65-91.
Flammer, C. 2013. Does Corporate Social Responsibility Lead to Superior Financial Performance? A Regression Discontinuity Approach. *http://dx.doi.org/10.2139/ssrn.2146282*, accessed September 2014.

Fombrun, C. and Shanley, M., 1990. What's in a Name? Reputation Building and Corporate Strategy. *Academy of Management Journal*, 33(2), pp. 233-258.

Fougere, M. and Solitander, N., 2009. Against Corporate Responsibility: Critical Reflections on Thinking, Practice, Content and Consequences. *Corporate Social Responsibility & Environmental Management*, 16(4), pp. 217-227.

Freeman, R.E., 1984. *Strategic Management: A Stakeholder Approach* . Marshfield, MA: Pittman.

Friedman, M., 1970. The Social Responsibility of Business is to Increase its Profits. *New York Times Magazine*, 13 September.

Gama Boaventura, J.M., Santos, D.S. and Bandeira-De-Mello, R., 2012. Corporate Financial Performance and Corporate Social Performance: Methodological Development and the Theoretical Contribution of Empirical Studies. *Revista Contabilidade & Finanças* - USP, 23(60), pp. 232-245.

Graves, S.B. and Waddock, S.A., 1994. Institutional Owners and Corporate Social Performance. *Academy of Management Journal*, 37(4), pp. 1034-1046.

Herremans, I.M., Akathaporn, P. and Mcinnes, M., 1993. An investigation of corporate social responsibility reputation and economic performance. *Accounting, Organizations and Society*, 18(7–8), pp. 587-604.

Ingram, R.W. and Frazier, K.B., 1980. Environmental Performance and Corporate Disclosure. *Journal of Accounting Research*, 18(2), pp. 614-622.

International Standards Organisation, 2014-last update, ISO 26000:2010 Guidance on Social Responsibility: Project Overview [Homepage of International Standards Organisation], [Online]. *https://www.iso.org/obp/ui/#iso:std:iso:26000:ed-1:v1:en* [August 13, 2014].

Jenkins, H. and Yakovleva, N., 2006. Corporate Social Responsibility In The Mining Industry: Exploring Trends In Social and Environmental Disclosure. *Journal of Cleaner Production*, 14(3), pp. 271-284.

Jones, T.M., 1995. Instrumental Stakeholder Theory: a Synthesis of Ethics and Economics. *Academy of Management Review*, 20(2), pp. 404-437.

Kaplan, S.E. and Ruland, R.G., 1991. Positive Theory, Rationality and Accounting Regulation *Critical Perspectives on Accounting*, 2(4), pp. 361-374.

Malik, M., 2013. Value-enhancing Capabilities of CSR: A Brief Review of Contemporary Literature. *http://dx.doi.org/10.2139/ssrn.2276803*, accessed September 2014.
Margolis, J.D. and Walsh, J.P., 2003. Misery Loves Companies: Rethinking Social Initiatives by Business. *Administrative Science Quarterly*, 48(2), pp. 268-305.

Mattingly, J. and Berman, S., 2006. Measurement of corporate social action: Discovering taxonomy in the Kinder Lydenberg Domini ratings data. *Business and Society,* 45(1), pp. 20-46.

Mcguire, J.B., Sundgren, A. and Schneeweis, T., 1988. Corporate Social Responsibility and Firm Financial Performance. *Academy of Management Journal*, 31(4), pp. 854-872.

Mcwilliams, A. and Siegel, D., 2001. Corporate Social Responsibility: a Theory of the Firm Perspective. *Academy of Management Review*, 26(1), pp. 117-127.

Miles, R., 1987. *Managing the corporate social environment: A grounded theory*. Englewood Cliffs, New Jersey, US: Prentice Hall.

Mitchell, R., Agle, B. and Wood, D., 1997. Toward a Theory of Stakeholder Identification and Salience: Defining the Principle of Who and What Really Counts. *The Academy of Management Review*, 22(4), pp. 853-886.

Moskowitz, M., 1972. Choosing socially responsible stocks. *Business and Society Review*, 1(1), pp. 71-75.

Orlitzky, M., 2001. Does Firm Size Confound the Relationship Between Corporate Social Performance and Firm Financial Performance? *Journal of Business Ethics*, 33(2), pp. 167-180.

Orlitzky, M., Schmidt, F.L. and Rynes, S.L., 2003. Corporate Social and Financial Performance: A Meta-Analysis*. Organization Studies*, 24(3), pp. 403-441.

Pan, X., Sha, J., Zhang, H., and Ke, W., 2014 Relationship between Corporate Social Responsibility and Financial Performance in the Mineral Industry: Evidence from Chinese Mineral Firms. *Sustainability*, 6, pp. 4077-4101.

Pava, M.L. and Krausz, J., 1996. The Association Between Corporate Social-Responsibility and Financial Performance: The Paradox of Social Cost. Journal of *Business Ethics,* 15(3), pp. 321-357.

Perrini, F., Russo, A., Tencati, A. and Vurro, C., 2011. Deconstructing the Relationship Between Corporate Social and Financial Performance*. Journal of Business Ethics*, 102, pp. 59-76.

Perrini, F., Russo, A. Tencati, A. and Vurro, C., 2013. Unpacking the CSR-CFP link. CSR Academy, *http://csr-manager.org/en/agenda/Intergrated-Reporting/Unpacking-the-CSR-CFP-Link.php*, accessed September 2014

Porter, M. and KrameR, M., 2006. Strategy & society: the link between competitive advantage and corporate social responsibility. *Harvard Business Review*, 84(12), pp. 78-92.

Reinhardt, F., 1998. Environmental product differentiation. *California Management Review,* 40, pp. 43-73.

Roberts, R.W., 1992. Determinants of corporate social responsibility disclosure: An application of stakeholder theory. *Accounting, Organizations and Society*, 17(6), pp. 595-612.

Rowley, T. and Berman, S., 2000. A brand new brand of corporate social performance*. Business and Society*, 39(4), pp. 397-418.

Sharfman, M., 1996. The Construct Validity of the Kinder, Lydenberg & Domini Social Performance Ratings Data*. Journal of Business Ethics*, 15(3), pp. 287-296.

Spicer, B.H., 1978. Investors, Corporate Social Performance and Information Disclosure: An Empirical Study. *Accounting Review*, 53(1), pp. 94.

Sturdivant, F.D. and Ginter, J.L., 1977. Corporate Social Responsiveness: Management Attitudes and Economic Performance. *California Management Review*, 19(3), pp. 30-39.

Ullmann, A.A., 1985. Data in Search of a Theory: A Critical Examination of the Relationships Among Social Performance, Social Disclosure, and Economic Performance of U.S. Firms. *Academy of Management Review*, 10(3), pp. 540-557.

Vance, S.C., 1975. Are socially responsible corporations good investment risks. *Management Review*, 64(8), pp. 19-24.

Vogel, D., 2005. The Market for Virtue: The Potential and Limits of Corporate Social Responsibility. Washington, DC: Brookings Institution Press.

Waddock, S.A. and Graves, S.B., 1997. The Corporate Social Performance- Financial Performance Link. *Strategic Management Journal*, 18(4), pp. 303-319.

Wang, L. and Juslin, H., 2009. The impact of Chinese culture on corporate social responsibility: The harmony approach. *Journal of Business Ethics*, 88(3), pp. 433-451.

Wartick, S.L. and Cochran, P.L., 1985. The Evolution of the Corporate Social Performance Model. *Academy of Management Review*, 10(4), pp. 758-769.

Wood, D.J., 1991. Corporate Social Performance Revisited. *Academy of Management Review*, 16(4), pp. 691-718.

World Bank, 2003. *Public policy for corporate social responsibility*, WBI series in corporate social responsibility, accountability and sustainable competitiveness. New York: Eds.Petkoski, D. and Twose, N., World Bank.